SERVICE QUALITY, AWARENESS AND AGE: FACTORS THAT INFLUENCE PENETRATION OF LIFE INSURANCE IN MALAYSIA

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Abstract:

A low rate of insurance market penetration indicates a slower rate of economic expansion. Malaysia's life insurance penetration rate over the previous five years of 2020 was only 54 percent, which was low compared to other Asian countries. Malaysians will be exposed to more financial risk if the country's life insurance coverage rate is unfavourable. Based on the observation, people are always sceptical when talking about topics that are related to insurance. Most of the public have negative thoughts about insurance. Most people nowadays think that insurance is fraud either in terms of purchasing insurance or becoming an insurance agent. This is because they do not have enough knowledge about insurance as a whole. Therefore, based on the statement above, the objective of this study is to know the factors that may lead to the low penetration of life insurance in Malaysia. Service quality, awareness, and age are the factors related to the low penetration of life insurance. All the data were analysed by collecting the primary data with a questionnaire. The researchers distributed the questionnaire to the sample of 150 respondents in

Temerloh, Pahang, Malaysia. The data collected were analysed using SPSS to come up with the research result. In this research, it was found that service quality, awareness and age are significant with low penetration of life insurance in Malaysia.

Keywords:

Life Insurance, Market Penetration, Service Quality, Awareness, Age

Introduction

People typically want security and the assurance that life will go on as one of their primary demands in human existence. The insurance products have the appeal to offer protection against the dangers of unanticipated occasions like accidents, serious illnesses, or unexpected death in this situation (Budin et al., 2020). People might use insurance as an option to safeguard themselves against the risk of losing their belongings. The risk of death and property damage can be reduced or shifted with the help of insurance. The practice of insurance has been in existence since the dawn of time because it is crucial to the economy and society due to the premiums it collects, the size of its investments on a global and regional scale, and most importantly, the crucial part it plays in covering individual and corporate risks (OECD, 2021).

Based on the Life Insurance Association of Malaysia (LIAM) in Malaysia, the local insurance marketplace is separated into two parts namely life insurance and general insurance. Life insurance serves to protect the insured family members, creditors, and other parties from losing their ability to earn in the case of death or serious injury. While general insurance, which is divided into many different forms, aims to safeguard those who are insured against losses due to partial or total loss of the covered property. It also covers losses resulting from damage to that property. Among the various insurance products, life insurance policies have become of special focus and interest due to the pandemic outbreak of COVID-19 (Descombes, 2021) and it is studied in this research. A financial product called life insurance has been used on a global scale. Whenever situations are not favourable, it serves the purpose of protecting one individual's wealth or the main source of income for the family (Budin et al., 2020). The life insurance sector is one of the most significant and effective instruments for social and economic welfare, according to Arych and Darcy (2020). However, a lot of people continue refusing it and hesitate to purchase it even when they afford the chance. This is because insurance is somewhat a complicated product for them (LIAM, 2021). Globally, including in Malaysia, it is difficult to achieve the full rate of life insurance penetration. The objective of this study is to identify the factors that lead to the low penetration rate of life insurance in Malaysia. The independent variables identified are service quality, awareness and age.

Problem Statement

According to Kamel (2020), the percentage of several Life Insurance Policies owned by Malaysian in the year 2020 for Malaysians is unfavourable and approximately one-third of Malaysians are covered with it. The penetration rate for 2020 during the previous five years was barely 54%. A total of 13.54 million Malaysians has insufficient life insurance, while 32.70 million Malaysians do not have any at all. It has significant potential for economic gain of the sector. For market opportunity, there are still 26.28 million Malaysians in this sector. Life Insurance Association Malaysia (LIAM) believes by the end of 2020, the life insurance sector in Malaysia is expected to have an overall penetration rate of 75%. However, the goal was

unsuccessful based on past statistics. Now, Malaysia's sum assured per capita is still quite low, which results in underinsurance of life insurance in this country. Overall, life insurance density and penetration rate are generally lower in developing economies such as Malaysia compared to developed Asian nations.

The demand for life insurance is still not encouraged in Malaysia. In consideration of these issues, the researcher has investigated the causes and factors that have influenced Malaysians' penetration of life insurance. Based on the Life Insurance Association of Malaysia (LIAM), some people believe that because they are single and do not have any dependents, they do not require life insurance. The younger generation, those under 30 years old, is more interested in spending money on lifestyle items. Therefore, insurance is not seen as necessary to them. Other than that, it has been recognized that some of the main reasons for the low penetration of life insurance is due to the shortage of understanding of its advantages and a lack of awareness of life insurance, especially among suburban and rural areas, which has contributed to a low insurance penetration rate. In addition, further complaints have been made about the behaviour of the agents. The low penetration of life insurance in Malaysia is a result of complaints such as delays in remitting premiums received from policy owners to insurers, misrepresentation of policy benefits and terms and conditions, failure of agents to clearly explain the benefits of the product sold and detail on the terms and conditions of the policy, and pressure selling tactics to customers in purchasing policies that are unsuitable to their particular requirements.

Research Hypothesis
Despite the current growth in life insurance product, this study intends to assess the following hypothesis in view of the previous literature:
H1.   *There is a relationship between service quality and life insurance penetration*

Service quality depends to a large extent on the information-gathering and processing activities of the agents (Eckardt & Doppner, 2010). The quality of the agent' service and the strength of the relationship with the customer play a major role in customer purchasing of life insurance products.
H2.   *There is a relationship between awareness and life insurance penetration*

According to Sang, Mohidin and Budin (2020), based on the afore mentioned facts, the expansion of the nation's life insurance and family takaful sectors is overall good. However, such data should not be the only criterion employed as the BNM targets family takaful and life insurance penetration rates of 75% by 2020, but as of 2017, Malaysia's penetration rate was only at 56%.
H3.   *There is relationship between age and life insurance penetration*

The insurer's level of age significantly influences the insurance purchasing policy. Estevez (2021) demonstrated that the insurance premium is charged according to the time of purchase and duration of the insurance policy. This condition explains that the insurance premium will increase by about 8%-10% for every year of age. Thus, it is more expensive to purchase insurance when people get older.

Literature Review

Low Penetration of Life Insurance
The demand for life insurance has grown as a result of the present COVID-19 environment because of the need for security and protection of human life and health. The health insurance sector has been recognized as one of the main economic drivers, playing a critical role in mitigating personal and commercial risks in the event of unforeseen circumstances. However, the penetration rates of Family Takaful and Life Insurance in Malaysia at 54% and 19%, respectively, are well below the 75% objective set by Bank Negara Malaysia (BNM) in 2017. The penetration rate is measured as the ratio of premiums underwritten in a particular year to the GDP (Malaysia Takaful Dynamics, 2015). Over the past decade, as the general public becomes more educated and mindful of the importance of insurance, the amount of per capita insurance expenditure in Malaysia has improved by 128% from RM338 in 2000 to RM771 in 2010. According to Swiss Re's (2020) statistics, developed market insurance penetration rates have suffered from persistent issues over the past ten years and have generally performed badly when compared to developed nations. Health insurance literacy refers to a person's capacity, knowledge, and assurance in evaluating accurate information about a healthcare plan as well as their ability to choose the best plan based on their financial and physical well-being (Quincy, 2012; Williams et al., 2021). The likelihood of actually buying health insurance is considerably positively correlated to doing so (Al Mamun et al., 2021). The insurance sector must make significant investments in analytics, digital, AI, and robotics since everyone is using smartphones. Thus, there is a huge opportunity to invest in technology in order to reach every person in both rural and urban areas, which then increases insurance penetration over the worldwide average (Radhika & Satuluri, 2019).

Every government should prioritize boosting insurance activity while also ensuring insurance penetration and density via a study on the factors that contribute to its growth (Hristova, 2022). According to Cytonn Investments (2015) and IRA (2015), the expansion of the service offering, favourable demographics, various distribution channels, innovation, and a strong regulatory framework and industry-specific compliance requirements are the major factors for the development of insurance sector (Barasa, 2016). Some economists support the idea of an efficient market and contend that competition will often result in the best positive social effects (Damtew & Muraguri, 2021). The study found that using government subsidies, providing policy incentives, evaluating rules, and ensuring adherence to regulatory criteria will result in the supply of competitive insurance solutions and market trust that is necessary for better insurance penetration rates (Damtew & Muraguri, 2021). Previous studies have found various factors that contribute towards insurance penetration in several regions and countries like India, Kenya, Bulgaria, etc. As such, this research investigates the factors that contribute towards the low rate of life insurance penetration, focusing on service quality, income level, knowledge, awareness, and age.

Service Quality
Consumer expectations and perceptions are compared to determine service quality (Bungatang, 2021) and as a starting point for assessing service quality, it considers the customer's expectations. Service quality is defined as "focusing on meeting the wants and needs of the customer and how good the service delivered meets the customers' expectations" (Paposa, Ukinkar & Paposa, 2019). As consumers purchase items, they can evaluate the quality of the products by looking at several factors like design, durability, colour, feel, packaging, and so on. According to Siddique and Sharma (2010), service quality is measured based on six

dimensions, namely assurance, competence, personalized financial planning, corporate image, tangibles and technology dimensions. It was found that the prior areas of service are assurance, competence, followed by personalized financial planning.

Service is an intangible component that is considerably more difficult to judge than products. Quality serves as the primary differentiator for both products and services. However, because services have so many diverse features and cannot be touched, clients find it difficult to evaluate the latter or handled like a product, but only dependent on the attitudes of the parties involved in the service transaction (staff and consumer) (Saha, 2019). How effectively the service given meets the customer's expectations is a measure of service quality. According to Limna and Kraiwanit (2022), Khan and Fasih (2014), and Naeem et al. (2009), service quality has a significant impact on customer satisfaction, financial performance, customer retention, customer loyalty, and the effectiveness of marketing strategies. By focusing on service quality, firms may increase customer happiness, service quality, and maintain a competitive edge (Limna & Kraiwanit, 2022; Wijetunge, 2016; Karim & Chowdhury, 2014). Therefore, it is crucial to take service quality into account.

Since insurance is a service that is intangible, quality can be assessed according to the following parameters, namely tangibility, reliability, responsiveness, empathy, safety and technology (Paposa, Ukinkar & Paposa, 2019; Siddiqui & Sharma, 2010; Parasuraman et al., 1985). Tangibility refers to physical proof of the services being supplied that comprise a variety of aspects such as physical building, equipment, people, and materials. Reliability is the consistency in performance and trustworthiness that covers the elements like upholding commitments, addressing customer problems, providing service from the start, maintaining error-free records, and providing service on schedule. Responsiveness is employees' eagerness or preparedness to provide services that specifies the timeliness of the services provided and comprises aspects such as correctness, promptness, helpfulness, and speedy reaction. Safety refers to employees' courteousness, as well as their capacity to instill trust in clients that encompasses aspects such as secrecy, safety, politeness, and knowledge. Empathy refers to the compassionate and personalized attention offered to clients in which the company has the ability to listen and comprehend the demands of its consumers and provide individual attention, accessible operation hours, personalized services, customer centricity, and customer need analysis. Technology includes the collection of different techniques, methods, and procedures employed in the provision of services.

Awareness

In Malaysia, 16 family life insurance and takaful firms are now in operation, according to the Life Insurance Association of Malaysia (LIAM, 2018) as of January 2020. Knowledge is the result of one person's learning process. According to Aramiko, Zuhrinal and Yanti (2021), and Wulandari and Suyanto (2014), knowledge can be influenced by many factors which may come internally and externally that is available from the perspective of facilities and socio-cultural conditions. Meanwhile, the author also added awareness which is the individual's degree of vigilance on internal or external incentives of the surrounding situations (Aramiko, Zuhrinal & Yanti, 2021; Solso, 2007). Most of the business's objective is to increase its sales as well as profits. The company will try to encourage customers towards its products and services for purchase and customer lifetime value which means steam of purchases over the lifetime period. Brand awareness means how to create interest of the current and potential customers towards the products and services (Gustafson & Chabot, 2007). The number of studies that investigated

the understanding of insurance and takaful awareness is, however, limited (Salman, Rashid & Hassan, 2017).

Brand consideration is a must while deciding to purchase a product or service, because if there is nothing to be considered, the probability is that there is nothing to be chosen (Baker & Nedungadi, 1986). In India, a study showed that non-Muslim insurance policyholders are unaware that the insurance industry is subject to interest, uncertainty, and gambling. The same goes for Muslim policyholders, and most non-Muslims do not believe that insurance practices should be outlawed due to their respective faiths (Salman, Rashid & Hassan, 2017).

Insurance is the unique and most important financial instrument used to cover the risk in society. Therefore, insurance plays an important element in the sustainable growth of the economy. Despite the importance of insurance, unfortunately, insurance products are still not used widely. A study commissioned by the Life Insurance Association of Malaysia in 2013 investigated on people who have purchased life insurance which uncovered several important findings. A greater understanding of the importance and advantages of having a life insurance policy for a family will promote its use in the community. However, the less favourable figures from BNM and LIAM on Malaysian citizenship in life policies, particularly those of the B40, may be seen as a sign that people's understanding of the value of life insurance or family takaful is still at a low level (Sang, Mohidin & Budin, 2020).An individual will rely on their knowledge about the product, both inside and out, while making a purchase that they may then select the item that will benefit them and make the proper purchase (Keat, Zakaria & Mohdali, 2020). Product knowledge refers to a person's level of comprehension and awareness of facts about a product, such as its brand, quality, or price (Keat, Zakaria & Mohdali, 2020).

Age

Awareness can be defined in many ways. Nowadays people are required to have serious concerns about issues like health conditions, the environment, social life support and financial protection. An accident can happen as simply as we drive out to get some take-out food or when we are walking down the stairs at anytime and anywhere. It can happen to anybody regardless of age and health condition. Therefore, it is important to keep in mind to avoid the misconception that young and healthy people do not require financial protection when it comes to their health. More evidence has shown that health condition does not discriminate against people based on their age or personal background as negative condition can happen to everyone. Poan, Merizka and Komalasari (2021) believed that insurance is one of the social protection tools to minimize life risks which provides a shield against unforeseen circumstances and danger that can occur to anybody.

Apparently, Malaysia Medical and Health Insurance (MHI) started in the early 1970s with the major industry players being foreign-based insurers such as American International Assurance, AETNA, AIA Prudential and many more insurance providers (Rahman & Daud, 2010). Realizing the importance of having protection, the life insurance and family takaful sector is one of the major components of the current Malaysian financial market. Insurance protection is recognized as one of the personal commitments which should be listed as a priority for future protection. The government and non-government institutions are now progressively providing information to increase public awareness of personal protection insurance. The Inland Revenue Board of Malaysia (Lembaga Hasil Dalam Negeri) through National Strategy for Financial Literacy 2019-2023 reported that one-third of people in Malaysia have limited personal financial knowledge and up to 92% of these people possess deposit products and are less likely to add high-risk investment products into their financial portfolio. This situation includes their

preparation for unexpected life events, in which a staggering 52% of them find it hard to raise even RM1,000 as an emergency fund while only 24% have adequate funds to sustain their living expenses for 3 months or a longer time.

More importantly, the result also disclosed that less than 20% of the people have sufficient life insurance to protect them from any unexpected event or incident (Goh, 2022). On the other hand, data retrieved from the Life Insurance Association of Malaysia (LIAM, 2018) published that there are 16 family life insurance and takaful companies operating in Malaysia as of this writing. Lim, Mohidin and Budin (2020) also agreed that less than half of Malaysians are covered by life insurance or family takaful to protect themselves against the risk. Despite the importance of having life insurance protection, there are some factors which contribute to people's commitment towards this. The factors include the level of income, education level, age, gender, number of dependents, existing policy's basic sum assured and level of personal debt (Min, 2008). Recognized by Affordable Care Act (ACA), it requires the insurer to cover any individual who intends to enroll and control the insurer on how they rated the premium according to the individual characteristic or background. This situation explains that insurers are not allowed to rate the premium according to varying health status and different gender. Premiums rated according to age are restricted to a proportion of three to one (which means the premiums for 64 years old is three times the premium for 21 years old).

Meanwhile, Lim and Tan (2019) stated that people in the age group of 20-29 years old have a lower likelihood to own life insurance as compared to the respondents in the age group of 30-39 years old and above. In addition, Abdul-Fatawu, AI Logubayom, and Abonongo (2019) found that age is statistically insignificant as it was found to be positively related to the demand for life insurance. Thus, this situation explains that as age increases, the demand for life insurance increases. This may be attributed to the need for individuals as they age to meet their basic needs and that of their dependents like shelter, higher education and saving for retirement purposes. Considering the age factor, Nidhiagrawal and Agrawal (2017), and Yadav and Tiwari (2012) emphasize that customers' decision regarding the purchase of life insurance is affected by many factors including gender, age and income of individuals which have a significant impact on buying decision of life insurance policies.

Research Methodology

The collection of quantitative data was part of this investigation. Primary data and secondary data were the two categories of data sources that the researchers concentrate on. Based on the preliminary data obtained from the sample's self-administered questionnaire, the primary data were acquired. Additionally, to assist this study, the researchers also consulted secondary data from sources including articles, the internet, and journals. The questionnaire was distributed at random to 150 respondents in Temerloh, Pahang, Malaysia to study the factors that influence the low penetration of life insurance, and all the responses were considered for analysis. For record, the total population in Temerloh year 2020 was 6201 (Department of Statistics Malaysia, 2020). Using G-Power in determining the sample size, the appropriate sample size was 45, however this study managed to get 150 sample. The questionnaire for this study was divided into three sections: Section A is on demographics (gender, age, income, occupation, and marital status), Section B is on life insurance penetration, which is the research's dependent variable adopted from Case Study by Life Insurance Association of Malaysia & Universiti Kebangsaan Malaysia (2013), while Section C is on independent variables, including service quality (adopted from Singh, Sirohi & Chaudhary, 2014), awareness (developed by researchers), and age (adopted from Liebenberg, Carson & Hoyt, 2010; Savvides 2006). For

gender, occupation, and marital status in Section A, the nominal scale was utilized, while the ordinal scale was used for age and income. In addition, the 5-point Likert scale was applied in Sections B and C. Non-probability sampling, often known as convenience sampling, was used for this study. The population's components do not have any probabilities associated with them being selected as sample subjects in a non-probability sampling method (Sekaran & Bougie, 2011). Because the information was gathered from respondents who were willing to participate and not yet covered by insurance, the researchers employed convenience sampling. This is the most challenging part because the researchers need to identify their profile before proceed to data collection process. Some of them also refused to participate in this study especially the older ones.

The list of respondents in Malaysia serves as the sample frame for this study. As a result, to accurately represent the size of the population, at least 150 respondents were recruited for this study. Altunışık et al. (2004) suggested that sample size greater than 30 and lower than 500 is suitable for the majority of the study. The Statistical Package for Social Science (SPSS) software version 26 was used to analyse all of the data gathered.

Finding and Analysis

Demographic Respondents
54.7% of respondents were men, and 45.3% were women, making men the majority in terms of gender. In contrast, respondents between the ages of 26 and 35 contributed the most (33.3%), followed by those between the ages of 36 and 45 (30%), respondents under the age of 25, respondents between the ages of 46 and 55 (9.3%), and respondents over the age of 56 (2.0%). There were 150 respondents in total. In terms of occupation, the non-government sector accounted for 45.3% of all respondents. Then, 40.0% of respondents worked in the public sector, 11.3% were self-employed, and 3.3% were pensioners. Last but not least, a majority of respondents (34.0%) have incomes between RM 1001 and RM 2000. The respondents with incomes between RM 2001 and RM 3000 come in second with 31.3%. Secondly, only 2.7% of all respondents make more than RM 4001. However, 8.0% of respondents had an income of between RM 3001 and RM 4000.

Reliability Test
The dependability statistic for all dependent and independent variables is displayed in Table 1. In terms of the internal consistency and stability of each questionnaire item, the reliability statistic for the life insurance penetration, service quality, awareness and age were 0.841, 0.812, 0.789 and 0.702 respectively. All the values were good. Therefore, it can be said that the survey items were reliable and consistent in all circumstances.

Therefore, it can be said that the survey items were reliable and consistent in all circumstances.

Table 1: Reliability Statistics of Variables

Variables	o of Items	Cronbach's Alpha	Strength
Life Insurance Penetration	5	0.841	Good
Service Quality	5	0.812	Good
Awareness	5	0.789	Good
Age	5	0.702	Good

Descriptive Analysis

Table 2, descriptive statistic for all independent variables is displayed. To further clarify, age has the greatest mean value (4.36), followed by awareness (4.20). Service quality, with a mean score of 4.16, has the lowest overall score.

Table 2: Descriptive Statistic for Independent Variables

Variables	Mean	Rank
Service Quality	4.16	3
Awareness	4.20	2
Age	4.36	1

Correlation Analysis

The Pearson-product moment correlation coefficient was used to analyze the relationship between the independent and dependent variables. Table 3, can be used to establish how strong the association is. First off, the data shows a significant positive correlation between service quality and low life insurance penetration ($r = 0.927$, $p<0.01$), with bad service quality being linked to low insurance penetration. Next, there was a significant, positive association ($r = 0.775$, $p<0.01$) between awareness and low life insurance penetration, with low awareness being related to low life insurance penetration. Finally, there was a significant, positive connection between age and low life insurance penetration ($r = 0.749$, $p<0.01$). Age correlated with low life insurance penetration.

Table 3: Correlation Analysis

Variables		DV	IV1	IV2	IV3
Low Life Insurance Penetration	Pearson Correlation	1	.927**	.775**	.749**
	Sig. (2-tailed)		.000	.000	.000
	N	150	150	150	150
Service Quality	Pearson Correlation	.927**	1	.690**	.872**
	Sig. (2-tailed)	.000		.000	.000
	N	150	150	150	150
Awareness	Pearson Correlation	.775**	.690**	1	.559**
	Sig. (2-tailed)	.000	.000		.000
	N	150	150	150	150
Age	Pearson Correlation	.749**	.872**	.559**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	150	150	150	150

Multiple Regression Analysis

Model Summary of R-Square

According to Table 4, the value of R^2 is good, meaning that the independent variables can account for 90.4% of the variation in the characteristics that may contribute to poor life

insurance penetration and that only 9.6% of the variation is unaccounted for. As a result, other factors that are not listed in the factors may account for 9.6% of the variables.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimation
1	.951[A]	.904	.902	.11596

Anova

Based on Table 5, F-statistic, P-value = 0.00, which is less than alpha value = 0.05. It means that all variables are significant.

Table 5: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	18.459	4	4.615		.000[a]
1	Residual	1.950	145	.013	343.173	
	Total	20.409	149			

Regression Coefficient

The default indicator for regression analysis at the 95% confidence level is shown in Table 6. If the P-value is less than 0.05, it will be deemed significant; if it is greater than 0.05, it will be deemed not significant.

Table 6: Rule of Thumb of Regression Analysis at 95%

P-value Sig	Result
Less than 0.05 (<0.05)	Significant
More than 0.05 (>0.05)	Not significant

Based on the result in Table 7, the regressions for the hypotheses that analyzes the low penetration of life insurance can be derived as below:

Y = Constant + Bx1+ Bx2 – Bx3
  = 0.453 + 1.069x1 + 0.232x2 – 0.270x3

Where Y = Low life insurance penetration
X1 = Service Quality
X2 = Awareness
X3 = Age default indicator for regression

According to Table 7, and the established equation, any 1-unit increase in the independent variables of service quality resulted in 1.069 units of improvement and 0.232 units of awareness. On the other hand, the age-independent variable decreased by 0.270 units.

Table 7: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	.453	.177		2.553	.012
Service Quality	1.069	.121	1.026	8.814	.000
Awareness	.232	.042	.225	5.565	.000
Age	-.270	.070	-.205	-3.876	.000

Summary of Hypothesis Testing

Age, service quality, awareness are three significant independent factors, which shows that the result is consistent with or supported by other research. Researchers have summarized the findings of their regression study .

Based on Table 8, H1, H2, and H3 are the three hypotheses that can be accepted following the multiple regression analysis. Additionally, for Hypothesis 1, it can be asserted that low penetration of life insurance is caused by an insurance company's unsatisfactory service quality, showing that the service quality is a predictor of the factor. In addition, it can be deduced from Hypothesis 2 that low life insurance penetration is caused by respondents' ignorance and lack of awareness. It suggests that life insurance awareness played a significant role in the penetration of the market. Nevertheless, for Hypothesis 3, it can be concluded age does not affect respondents to buy life insurance premiums as referred to the table above the P- value = 0.000.

Table 8: Summary of Hypothesis Testing

Hypothesis	Result	Decision
H1: There is a relationship between service quality and life insurance penetration.	$p = 0.000$ ($p < 0.05$)	Accepted
H2: There is a relationship between awareness and life insurance penetration.	$p = 0.000$ ($p < 0.05$)	Accepted
H3: There is a relationship between age and life insurance penetration.	$p = 0.000$ ($p < 0.05$)	Accepted

Discussion and Recommendation

Over the years, the individual life insurance industry has experienced slowed growth in the face of economic headwinds and low customer demand. This negative trend illustrated a low demand of people's public awareness on the need for this protection needs to be increased to help them in mitigating the individual and family potential risk. Undeniable life insurance can equip and prepare people for any potential risk that could happen in the future in terms of financial aspects. Nidhiagrawal and Agrawal, Mini (2017) agreed that life insurance companies should provide potential customers with innovative ideal products with high-risk cover, more attractive returns and affordable or inexpensive rates of insurance premiums to attract a greater number of customers. This premium coverage is recommended to be broadened into a different variable of a demographic, premium lifetime, and social support system.The next strategy to encourage people subscription to the life insurance package is by educating these people on the importance of protecting themselves from any hazards. In addition, this process appears to be one of the significant ways that can stimulate people's acceptance in Malaysia. The information such as how life insurance by offering this initiative, life insurance is expected to generate a better understanding in terms of the future financial system on assisting the insurer to invest more efficiently. Therefore, people will have a greater perspective of the purpose of life insurance and recognize the various types of insurance products available at the same time there would be a greater demand for life insurance packages.

Afterwards a life insurance premium is recommended to be equipped with a saving package. Lim, Sang, Mohidin, Rosle, Budin and Dayang (2020) emphasize that people should be educate to understand the importance of life insurance products and the long-term saving package. This initiative can help the people with low financial knowledge especially among B40 and younger generation. Meanwhile, the life insurance provider should effectively explain the package with accurate information which is delivered in a language and in a context that is easily understood by all walks of life, will have a better impact on increasing understanding and knowledge of life insurance products. In addition, the package coverage may also increase the health care access such as include to outpatient care for certain hazard behavior either from the insurer or the insurance providers Bakar (2016). People are more likely influence to having a package which can protect them from measurable loss, injury, liability, loss, or external or internal weaknesses that can be prevented by active actions Abdul-Fatawu, AI Logubayom, Abonongo (2019).

Chung (2020) provide with evidence stating that Malaysia's life insurance industry has shown a remarkable 14.9% growth in new business in 2019. This progressive performance was the result of the increase in awareness or knowledge among consumers on life insurance protection that had raised their confidence and intension to buy the insurance. Because of this positive trend the life insurance provider should take the opportunity to raise the people's confidence and intention to purchase an insurance policy. A professional advice and well-trained consultants are significantly can influence their buying decision. This action also can improve people's perception about insurance companies.

Conclusion

Specifically, this study successfully achieved the established objectives to assess respondent's acceptance on life insurance products. The finding significantly demonstrated that the research variables – service quality, knowledge & awareness and age are significantly influencing insurance penetration at $p=0.00$ ($p<0.05$). The result clearly explained that all the factors are positively significant to encourage people in protecting and mitigate themselves from any risk

in the future. On the other hand, theoretically the assessment of variables contributes to the new framework development from the assessment of descriptive result. In addition, the life insurance provider also will be able to recognize the influencing factors- (service quality, knowledge & awareness, and age) in increasing the number of policy holder specifically in Malaysia. To achieve this objective the life insurance providers are responsible to provide the relevant information to educate the households relative to the coverage of their overall risk exposure as well as their understanding and knowledge of insurance products and markets.

Next the potential policyholder also can play their responsibilities by equipping themselves with all the information as well as the insurance coverage, consumer protection and regulatory information to enhance their understanding as the policyholder. Since this study is focusing on the contribution of the three variables for the future assessment of life insurance penetration in Malaysia, the future researchers are recommended to recognize the government support in strengthening the effort of promoting this package among Malaysian. Then, the extended research also may include identifying the people's financial commitment and readiness to pay to the life insurance policy as part of their monthly expenses.

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